

SOUTH DAKOTA COMMISSION ON GAMING QUARTERLY MEETING DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA

MINUTES March 17, 2011

At 9:00 a.m. the meeting was called to order. Commissioner Michael Ortner, Commissioner Karen Crew, Commissioner Dennis Duncan and Commissioner Karl Fischer were present. Commissioner Ralph Kemnitz was absent. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement.

ADMINISTRATIVE HEARINGS:

The court reporter for the administrative hearings was Theresa Fink. The following cases were scheduled to be heard:

- SDCOG vs. Sarah Hansen
- SDCOG vs. Kimberly Borsch
- Amended Petition For Declaratory Ruling
Tentexkota, LLC (Deadwood Mountain Grand)

Commissioner Ortner appointed Commissioner Crew as hearings officer.

SDCOG vs. Sarah Hansen and SDCOG vs. Kimberly Borsch

Per the request of Hansens's and Borsch's attorney, Roger Tellinghuisen, the hearings of these two cases were combined into one. Stipulation of Facts was presented to and accepted by the Commission in Lieu of a Hearing. Staff recommended a revocation of Hansen's license and a two week suspension of Borsch's license. After discussion held in Executive Session, Commissioner Crew moved to dismiss the charges against Sarah Hansen, Commissioner Duncan seconded the motion. Chairman Ortner called for a roll call vote:

Commissioner Duncan	Yes
Commissioner Fischer	No
Commissioner Ortner	No
Commissioner Crew	Yes

Motion failed to carry due to a lack of majority.

Commissioner Crew moved to dismiss the charges against Kimberly Borsch, Commissioner Duncan seconded the motion. Chairman Ortner called for a roll call vote:

Commissioner Duncan	Yes
Commissioner Fischer	No
Commissioner Ortner	No
Commissioner Crew	Yes

Motion failed to carry due to a lack of majority.

Commissioner Fischer moved to suspend Sarah Hansen's license for 2 weeks, Commissioner Ortner seconded the motion. Chairman Ortner called for a roll call vote:

Commissioner Duncan	No
Commissioner Fischer	Yes
Commissioner Ortner	Yes
Commissioner Crew	No

Motion failed to carry due to a lack of majority.

Commissioner Fischer moved to suspend Kimberly Borsch's license for 1 week, Commissioner Ortner seconded the motion. Chairman Ortner called for a roll call vote:

Commissioner Duncan	No
Commissioner Fischer	Yes
Commissioner Ortner	Yes
Commissioner Crew	No

Motion failed to carry due to a lack of majority.

AMENDED PETITION FOR DECLARATORY RULING, TENTEXKOTA, LLC
(Deadwood Mountain Grand)

Attorney Roger Tellinghuisen representing the Licensee and Cameron Lund representing the Licensee's architecture firm, Lund and Associates, requested approval of the configuration of the buildings that were approved in 2002. No request was made for additional buildings, but due to the topography of the building site, it was necessary to configure the building differently. A request was also made for a variance to allow for more than a 25% opening between Room #4 and the main entrance area. This area would be open 100% and have a water curtain barrier. After discussion was held in Executive Session, Commissioner Duncan moved to approve the request for the reconfiguration and the request for the variance of the 25% opening with a water curtain, with all other openings to be not more than 25 %. Commissioner Fischer seconded the motion. Motion carried unanimously.

GENERAL MEETING

The business meeting was called to order by Commissioner Ortner.

Approval of Agenda

Executive Secretary Eliason requested that Stan Triplett representing IGT be added to the agenda.

Commissioner Fisher moved to approve the agenda with the addition of Stan Triplett/IGT.

Commissioner Duncan seconded the motion. Motion carried unanimously.

Conflicts of Interest

No conflicts of interest were noted on the agenda.

November 30, 2010 Quarterly Meeting

Commissioner Crew moved to accept the minutes for the November 3, 2010 meeting.

Commissioner Duncan seconded the motion. Motion carried unanimously.

Stipulations of Assurance and Voluntary Compliance

BY Development, Inc.

Commissioner Crew moved to accept the Stipulation of Voluntary Compliance of BY Development, Inc.. Commissioner Fischer seconded the motion. Motion carried unanimously.

Mustang Sally's

Commissioner Fischer moved to accept the Stipulation of Voluntary Compliance of Mustang Sally's. Commissioner Crew seconded the motion. Motion carried unanimously.

Racing Commission Officials and Race Track Officials

Commissioner Crew moved to approve the Commission officials for the 2011 horse racing season as listed on page 43 of the meeting packet and the racing officials for each track for the 2011 horse season for the Verendrye Benevolent Association and Northeast Area Horse Racing, Inc. officials as listed on pages 44 and 45 of the meeting packet. Commissioner Duncan seconded the motion. Motion carried unanimously.

Racing Contracts

Laboratory Services

Commissioner Duncan moved to accept the contract with the Center for Tox Services as the official lab for the 2011 horse race season. Commissioner Fischer seconded the motion. Motion carried unanimously.

Veterinarian Services

Commissioner Crew moved to accept the contract with Dr. Cooper as the official veterinarian for the 2011 horse racing season. Commissioner Duncan seconded the motion. Motion carried unanimously.

Next Commission Meeting

Next commission meeting will be June 9, 2011.

Deadwood Licensing Matters

Director of Operations/Enforcement Sparrow recommended approval of the following:

Key Licenses:

- ✓ Joshua Ryan
- ✓ Robert Ringling
- ✓ Burton Weeks

Key License Renewals:

- ✓ Randy Nelson
- ✓ Leroy Cooper

Business License Renewal:

- ✓ Rich Turbiville (0166-RT) – Unassigned Location

Business License Approval and License Requests:

- ✓ Recommend approval of Glenn Goulet as an additional owner of the Table Trac, Inc. Manufacturer's licenses **(0127-MA)**.
- ✓ Recommend approval of Ronald Dufficy as a Director on the Aristocrat Manufacturer's licenses **(0108-MA)**.
- ✓ Recommend approval of Ron Wheeler as the owner of a retail licenses **(0497-RT)** to be let unassigned at the current time.
- ✓ Recommend approval of the request of Tracy Island to assign her retail gaming license **(0327-RT)** to the Deadwood Gulch Gaming Resort Convention Center at 230 Cliff Street.
- ✓ Recommend approval of the request of Lori Logan to move her three retail licenses **(0464, 0466 & 0467-RT's)** from Tin Lizzie 4, 5 & 6 to an unassigned location effective the end of March, 2011.
- ✓ Recommend approval of Miranda Bradsky as the owner of two additional retail licenses **(0498 & 0499-RT's)** and that they be assigned to Tin Lizzie 4 & 5 effective the beginning of April, 2011.

Commissioner Fischer moved to approve the licensing matters as recommended by Director Sparrow. Commissioner Duncan seconded the motion. Motion carried unanimously.

STAN TRIPLETT, IGT

Mr. Triplett briefly explained server support gaming and requested that the commission begin to consider adopting rules that would allow this in Deadwood. The Commission took no action at this time.

EXECUTIVE SESSION

Commissioner Duncan made a motion to go into Executive session to deliberate on evidence during hearings, confer with legal counsel and to confer with Licensees per SDCL 42-7B-8.1 (5). Commissioner Fischer seconded the motion. Motion carried unanimously.

After coming out of the Executive Session, the Commission took the following actions.

LEGACY GAMING

Commissioner Duncan moved to continue the conditional status of Legacy Gaming's business license for the remainder of the license year (June 30, 2011) at which time the Commission will make a decision regarding the FY 2012 license. Commissioner Fischer seconded the motion. Motion carried unanimously.

BADLANDS GAMING

Commissioner Duncan moved to continue the conditional status of Badlands Gaming licenses for the remainder of the license year (June 30, 2011) at which time the Commission will make a decision regarding the FY 2012 license. Commissioner Crew seconded the motion. Motion carried unanimously.

Commissioner Fischer made a motion to adjourn the meeting. Commissioner Duncan seconded the motion. Motion carried unanimously.

Respectfully submitted,
Susan Christian

Karen Crew, Vice Chairman

Larry B. Eliason, Executive Secretary